



© Colas / Blue Iris Photography / Créavision / McAsphalt / Nedim IMRE - Graphix Images

## 1<sup>st</sup> Quarter 2020 Results

- **Order Backlog: €10.0 B, up 3% after restatement to reflect main acquisitions and divestments, and at constant exchange rates**
- **Revenue: €2.0 B (-14% and -10% at constant scope and exchange rates)**
- **Current operating profit: -€370 M (-€72 M)**
- **Net profit attributable to the Group: -€300 M (-€73 M)**

The Board of Directors of Colas, chaired by Mr. Olivier Roussat, met on May 12, 2020 to examine the situation as of March 31, 2020 and outlook for the current year.

### Consolidated key figures

<i>In millions of euros</i>	Q1 2019	Q1 2020	Change	Change at constant scope and exchange rates
<b>Consolidated revenue</b>	<b>2,287</b>	<b>1,959</b>	<b>-14%</b>	<b>-10%</b>
<i>of which France</i>	1,353	1,024	-24%	-17%
<i>of which International</i>	934	935	=	=
<b>Current operating profit</b>	<b>(298)</b>	<b>(370)</b>	<b>-72</b>	
<b>Operating profit</b>	<b>(298)</b>	<b>(370)</b>	<b>-72</b>	
<b>Net profit attributable to the Group</b>	<b>(227)</b>	<b>(300)</b>	<b>-73</b>	
<b>Net debt<sup>(a)</sup></b>	<b>1,068</b>	<b>944</b>	<b>-124</b>	

*The consolidated financial statements for Q1 2020 have been prepared in accordance with IFRS 16 applicable as of January 1, 2019.*

*(a) See definition in glossary page 6.*

### Impact of Covid-19 pandemic

Following the lockdown measures taken by the French government, all construction sites and production sites in France were stopped as of March 17. Activity also slowed sharply in Belgium and Switzerland during the second half of March.

In many other countries, Colas was able to maintain a significant level of business in March despite lockdowns. This was particularly true in the USA where construction has been declared an "essential business" in many states.

Similarly, across most of Central Europe, Africa and Asia-Oceania, the Group was able to conduct business in a very close to normal fashion throughout the month of March.

The expansion of the Covid-19 pandemic prompted the Executive General Management Committee to quickly roll out measures intended to protect the health of Colas employees. Crisis teams have been meeting daily to closely monitor the situation in each of the Group's locations. Dedicated communication resources have been developed to ensure that employees are kept up to date on a regular basis.

### **Changes in business segments**

Following the roll out of a new organization as of January 1, 2020, the business segments are now presented as follows:

- **Roads Mainland France / French Overseas and Indian Ocean** comprises Roads and Safety-Signaling activities in Mainland France, in the French overseas departments and regions and in the Indian Ocean;
- **Roads EMEA** (Europe - Middle East - Africa) covers Roads in Europe (excluding France), the Middle East and Africa;
- **Roads USA** includes Roads in the United States;
- **Roads Canada** covers Roads in Canada;
- **Roads Asia / Pacific** includes Roads in Asia, Oceania and Latin America;
- **Railways and other Activities** comprises Railways and Water & Energy Transport in France and around the world;
- The **Parent Company** includes the activities inherent to Colas' head office.

### **Seasonal nature of business activity**

Due to the highly seasonal nature of most of the Group's businesses, operating losses are recorded each year during the 1<sup>st</sup> quarter.

### **Order backlog**

The order backlog at the end of March 2020 remained high at €10 billion, up 3% restated to reflect the main acquisitions and divestments and at constant exchange rates. Backlog in Mainland France (€3.5 billion) is up 1%, restated to reflect the main acquisitions and divestments, while backlog for international and overseas units (€6.5 billion) rose 4%, restated to reflect the main acquisitions and divestments and at constant exchange rates.

## Revenue

Consolidated revenue for the 1<sup>st</sup> quarter of 2020 amounted to €2.0 billion, down 14% compared to the 1<sup>st</sup> quarter of 2019 (-10% at constant scope and exchange rates). Revenue in France totaled €1.0 billion (-24%, and -17% at constant scope and exchange rates). In the international units, business has remained stable, totaling €0.9 billion.

During the second half of March, the sudden slump in business activity as a consequence of the Covid-19 pandemic led to a drop in revenue estimated at around €260 million.

## **Roads:**

Revenue for the 1<sup>st</sup> quarter 2020 totaled €1.7 billion, down 10% at constant scope and exchange rates.

The drop is particularly noticeable in Mainland France / Overseas & IO, where a 17% decrease was recorded compared to Q1 2019 as the zone has been strongly impacted by the consequences of the Covid-19 pandemic.

Business is up in the EMEA zone (+ 5% at constant scope and exchange rates) as well as in the United States (+ 4% at constant scope and exchange rates). At constant scope and exchange rates, revenue fell 8% in Canada and 10% in Asia-Pacific.

## **Railways and other Activities:**

After restating the sale of Smac, whose contribution to Q1 2019 revenue amounted to €141 million, revenue in Railways and other Activities decreased by 5% compared to Q1 2019.

## Financial performance

**Current operating profit** for the 1<sup>st</sup> quarter of 2020 stood at -€370 million, down €72 million compared to Q1 2019. Business got off to a good start at the beginning of the year but a sharp drop in business as of mid-March accentuated 1<sup>st</sup> quarter seasonal losses, particularly in France.

Despite measures to adapt and remain flexible, in particular the use of partial furlough in France for 40% of manhours in March, the impact of the crisis on current operating profit is estimated at around -€75 million (loss of current operating profit margin and unavoidable costs).

The crisis has had no impact on the valuation of the Group's non-current assets as of March 31, 2020.

**Net profit attributable to the Group** totaled -€300 million, compared to -€227 million at the end of March 2019.

## **Net debt**

Net debt at March 31, 2020 was €944 million, a €124-million improvement compared to March 31, 2019. The Group has a solid balance sheet and high liquidity ensured by confirmed credit lines without covenants.

## **Developments since March 31**

In April, business was significantly reduced in France due to the ongoing lockdown. Some countries, e.g., the United Kingdom or Ireland, which were not very impacted in March, witnessed a drop in activity in April.

In France, quarry production has resumed gradually since mid-April, followed by the construction business. Opening back up is only possible once the safety of all employees is ensured, personal protective equipment is available, the customer has agreed and all employees are on board and mobilized. Thus, by mid-May, 85% of road construction sites have been relaunched in Mainland France.

Our businesses are reopened without compromising the health and safety of all participants on site. In France, Colas has rolled out its own protocols, with 4 guides for managers and 9 information posters.

## **Outlook**

Uncertainty resulting from the health crisis and its impact on the Group led the Board of Directors of Colas to suspend its revenue and current operating profit margin targets for the year 2020, as announced on April 1.

Colas confirms that it is setting targets in 2020 to reduce its greenhouse gas emissions in line with the Paris Agreement, and that it will be communicating its action plan on how it will achieve them.

Despite the gradual easing of lockdown measures in many countries since the beginning of May, the impact of the Covid-19 pandemic on Colas' business and results should be stronger in the 2<sup>nd</sup> quarter.

However, it is still too early to formulate outlook for 2020 as a whole.



WE OPEN THE WAY

### Colas ([www.colas.com](http://www.colas.com))

Colas, a subsidiary of the Bouygues Group, is a world leader whose mission is to promote transport infrastructure solutions for sustainable mobility. With 57,000 employees in more than 50 countries on five continents, the Group performs some 70,000 road construction and maintenance projects each year via 800 construction business units and 3,000 material production units.

In 2019, consolidated revenue at Colas totaled €13.7 billion (52% outside of France). Net profit attributable to the Group amounted to €261 million.

#### For further information

Delphine Lombard (tel. : +33 6 60 07 76 17) / Rémi Colin (tel.: +33 7 60 78 25 74) [contact-presse@colas.fr](mailto:contact-presse@colas.fr)  
Jean-Paul Jorro (tel.: +33 1 47 61 74 23) / Zorah Chaouche (tel.: +33 1 47 61 74 36) [contact-investors@colas.fr](mailto:contact-investors@colas.fr)

### Condensed consolidated 1<sup>st</sup> quarter income statement

<i>In millions of euros</i>	<b>2019</b>	<b>2020</b>	<b>Change</b>
Revenue	2,287	1,959	-14% <sup>a</sup>
Current operating profit	(298)	(370)	-72
Operating profit	(298)	(370)	-72
Net profit attributable to the Group	(227)	(300)	-73

(a) -10% at constant scope and exchange rates

### Revenue at March 31 by business segment

<i>In millions of euros</i>	At 31/03/2019	At 31/03/2020	Change	Change at constant scope and exchange rates
Roads Mainland France/Overseas, IO	1,148	953	-17%	-17%
Roads EMEA	331	349	+6%	+5%
Roads United States	168	189	+12%	+4%
Roads Canada	93	88	-6%	-8%
Roads Asia - Pacific	111	102	-8%	-10%
<b>Total Roads</b>	<b>1,851</b>	<b>1,681</b>	<b>-9%</b>	<b>-10%</b>
<b>Railways and other Activities</b>	<b>431</b>	<b>277</b>	<b>-36%</b>	<b>-5%</b>
<b>Parent Company</b>	<b>4</b>	<b>1</b>	<b>ns</b>	<b>ns</b>
<b>TOTAL</b>	<b>2,287</b>	<b>1,959</b>	<b>-14%</b>	<b>-10%</b>

### Glossary

**Order Backlog:** the amount of work still to be done on projects for which a firm order has been taken, i.e. the contract has been signed and has taken effect (after notice to proceed has been issued and suspensory clauses have been lifted).

#### **Changes in revenue at constant scope and exchange rates:**

- at constant exchange rates: change after translating foreign-currency sales for the current period at the exchange rates for the comparative period;
- at constant scope: change in revenue for the periods compared, adjusted as follows:
  - for acquisitions, by deducting from the current period those sales of the acquired entity that have no equivalent during the comparative period;
  - for divestments, by deducting from the comparative period those sales of the divested entity that have no equivalent during the current period.

**Net surplus cash/(net debt):** the aggregate of cash and cash equivalents, overdrafts and short-term bank borrowings, non-current and current debt, and financial instruments. Net surplus cash/(net debt) does not include non-current and current lease obligations. A positive figure represents net surplus cash and a negative figure represents net debt.